

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900  
Columbia, SC 29201



DAN E. ARNETT  
CHIEF OF STAFF

Phone: (803) 737-0800  
Fax: (803) 737-0801

jnelson@regstaff.sc.gov

*Jeffrey M. Nelson*  
Counsel for ORS

**VIA Electronic Filing**

December 15, 2008

Joseph Melchers  
General Counsel  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

IN RE: Order 2007-655 in Docket No. 2007-234-WS

Dear Mr. Melchers,

In the above referenced Order, dated September 26, 2007, the Public Service Commission of South Carolina, after approving umbrella bonds of \$100,000 (water) and \$100,000 (sewer) had requested "that ORS conduct an audit of the Goat Island Water Company's annual expenses after one year of operation as a consolidated utility to determine if these bond amounts meet the requirements of S.C. Code Ann. Regs. 103-512.3.1 and 103-712.3.1 (May 25, 2007)."

Subsequent to the Order in that case, in April 2008, Goat Island Water and Sewer Company ("Goat Island") applied for an increase in its rates and charges in Docket 2008-142-WS. In the course of its review of the rate application in that matter, ORS performed an inspection and review of books and records of Goat Island. Based on the results of this inspection, ORS and Goat Island entered into a Settlement Agreement whereby Goat Island agreed to increase the amount of its bond on its water system to \$135,000, and to maintain a bond in the amount of \$100,000 for its sewer system. This Agreement, and the bond amounts established therein, was approved by the Commission in Order 2008-669 dated October 27, 2008. Since the date of the Order, Goat Island has filed bonds in the Order amounts with ORS.

Based on the review, report, and amended bonds approved by the Commission in Docket No. 2008-142-WS, ORS believes that the audit and bond review requested by the Commission in 2007-234-WS has been performed.

Should you have any further questions or concerns in regards to this matter, please contact myself and Mr. Whitt at your convenience.

Yours Truly,

  
Jeffrey M. Nelson

cc: Richard Whitt, Esq.